

#### § 247.4

*Agency* means a department, agency, or instrumentality in the executive branch of the United States Government.

*Bank* means an entity described in Regulation CC of the Federal Reserve System, 12 CFR 229.2(e), as may be amended from time to time.

*Department* means the United States Department of the Treasury.

*FedSelect check* means a check drawn upon a Reserve Bank with the designation "FedSelect" printed on the check.

*Payee* means the person to whom a FedSelect check is payable.

*Payor Reserve Bank* means the Reserve Bank on which a FedSelect check is drawn.

*Presenting bank* means a bank which sends a FedSelect check directly to a Reserve Bank for payment or collection.

*Reserve Bank* or *Federal Reserve Bank* means any one of the twelve Federal Reserve Banks.

#### § 247.4 Federal Reserve Banks.

(a) Where FedSelect checks are issued on Reserve Bank check stock and drawn on the payor Reserve Bank in its banking capacity, the payor Reserve Bank shall perform certain functions as fiscal agent of the United States in the issuing, processing and final payment of FedSelect checks. A payor Reserve Bank shall act as fiscal agent of the United States on FedSelect checks only when authorized to do so by a Memorandum of Understanding between the Financial Management Service, U.S. Department of the Treasury (FMS), and the payor Reserve Bank.

(b) As authorized by a Memorandum of Understanding between a payor Reserve Bank and the FMS and in accordance with this part, the payor Reserve Bank shall settle with a presenting bank for the amount specified in a FedSelect check upon presentment of the FedSelect check through normal banking channels. Each payor Reserve Bank may issue operating circulars, letters or bulletins not inconsistent with this part governing details of its handling of payments under this part.

#### 31 CFR Ch. II (7-1-97 Edition)

#### § 247.5 Federal agencies and termination of services.

(a) Agencies may issue FedSelect checks in payment for United States obligations.

(b) Issuance of a FedSelect check by an agency in payment of an obligation shall constitute an agreement between the issuing agency and the FMS. The issuing agency shall adhere to the terms of the agreement, including those relating to fees for services provided by the FMS, as expressed in this part and in the Treasury Financial Manual, Volume I, Part 4, Chapter 3500 (I TFM 4-3500), entitled "Issuance Of FedSelect Checks By Federal Agencies."

(c) In addition to the provisions of this part, agencies issuing FedSelect checks shall adhere to instructions, contained in I TFM 4-3500, regarding items such as procedures for opening and closing FedSelect accounts with the FMS, procedures for the adjustment of agency FedSelect accounts where losses are the responsibility of the agency, procedures for the adjustment of agency FedSelect accounts in cases of termination of FedSelect services by the FMS, and performance requirements in the issuance of FedSelect checks.

(d) When an agency fails to adhere to the provisions of this part or to the instructions contained in I TFM 4-3500, the FMS, at its discretion, may terminate the services of FedSelect checks. The FMS shall provide the agency with prior notification of the date on which services will be terminated.

#### § 247.6 Banks.

(a) A bank's acceptance of a FedSelect check issued pursuant to this part shall constitute its agreement to the provisions of this part.

(b) Each bank by its action of handling a FedSelect check shall be deemed to warrant to the Federal Government that it has handled the FedSelect check in accordance with the requirements of this part.

#### § 247.7 Certification and internal agency control.

(a) A FedSelect check is not a check drawn on the United States Treasury. However, where the drawer of a